

# SENATE RECORD VOTE ANALYSIS

104th Congress  
2nd Session

Vote No. 114

May 16, 1996, 1:59 p.m.  
Page S-5138 Temp. Record

## BUDGET RESOLUTION/Rejection of President's "Trigger" Ploy

**SUBJECT:** Senate Concurrent Budget Resolution for fiscal years 1997-2002 . . . S. Con. Res. 57. Frist amendment No. 3968 to the Exon amendment No. 3965.

### ACTION: AMENDMENT AGREED TO, 99-0

**SYNOPSIS:** As reported, S. Con. Res. 57, the Concurrent Budget Resolution for fiscal years 1997-2002, will balance the Federal budget in fiscal year (FY) 2002 by slowing the overall rate of growth in spending over the next 6 years to below the rate of growth in revenue collections. The rate of growth in entitlements such as Medicare, Medicaid, the Aid to Families with Dependent Children program, and the Earned Income Credit will be slowed. No changes will be made to the Social Security program, the spending for which will grow from \$348 billion in FY 1996 to \$467 billion in FY 2002. Defense spending will be essentially frozen at its present level.

The Exon substitute amendment would enact the President's proposed budget. The President's proposal would be for whomever is President in FYs 2001 and 2002 and for whomever is in Congress in those years to eliminate his proposed small child tax credit and to make unspecified drastic cuts (\$68 billion) in domestic discretionary spending (10 percent in FY 2001 and 18 percent in FY 2002) in order to balance the budget by FY 2002. The proposal would slash defense spending by an additional \$11.3 billion in FY 1997 and would increase domestic discretionary spending in that year as well. Finally, the amendment would extend the solvency of Medicare Part A through a bookkeeping change that would shift \$55 billion in costs from the Part A trust fund to Part B, 75 percent of which is paid for by the taxpayers rather than by Medicare beneficiaries.

**The Frist amendment** would express the sense of the Senate that "the discretionary spending caps should not include triggers that would--(1) result in 100 percent of the nondefense discretionary reductions occurring in FYs 2001-2002; and (2) make drastic reductions in nondefense discretionary spending in fiscal years 2001 and 2002 (the last 2 years of the budget) for the purpose of achieving a balanced budget in fiscal year 2002." The amendment would also make the following findings:

- President Clinton proposed in this fiscal year 1997 budget submission immediate downward adjustments to discretionary caps after the year 2000 if the Congressional Budget Office (CBO) projected that his budget would not balance in 2002;

(See other side)

YEAS (99)				NAYS (0)		NOT VOTING (1)	
Republican (52 or 100%)		Democrats (47 or 100%)		Republicans (0 or 0%)	Democrats (0 or 0%)	Republicans (1)	Democrats (0)
Abraham	Hutchison	Akaka	Inouye			Dole- <sup>2</sup>	
Ashcroft	Inhofe	Baucus	Johnston				
Bennett	Jeffords	Biden	Kennedy			<b>EXPLANATION OF ABSENCE:</b> 1—Official Business 2—Necessarily Absent 3—Illness 4—Other  <b>SYMBOLS:</b> AY—Announced Yea AN—Announced Nay PY—Paired Yea PN—Paired Nay	
Bond	Kassebaum	Bingaman	Kerrey				
Brown	Kempthorne	Boxer	Kerry				
Burns	Kyl	Bradley	Kohl				
Campbell	Lott	Breaux	Lautenberg				
Chafee	Lugar	Bryan	Leahy				
Coats	Mack	Bumpers	Levin				
Cochran	McCain	Byrd	Lieberman				
Cohen	McConnell	Conrad	Mikulski				
Coverdell	Murkowski	Daschle	Moseley-Braun				
Craig	Nickles	Dodd	Moynihan				
D'Amato	Pressler	Dorgan	Murray				
DeWine	Roth	Exon	Nunn				
Domenici	Santorum	Feingold	Pell				
Faircloth	Shelby	Feinstein	Pryor				
Frist	Simpson	Ford	Reid				
Gorton	Smith	Glenn	Robb				
Gramm	Snowe	Graham	Rockefeller				
Grams	Specter	Harkin	Sarbanes				
Grassley	Stevens	Heflin	Simon				
Gregg	Thomas	Hollings	Wellstone				
Hatch	Thompson		Wyden				
Hatfield	Thurmond						
Helms	Warner						

- the CBO has projected that the President's budget would result in a deficit of \$84 billion in fiscal year 2002 without that lowering of the discretionary spending caps;
- therefore, the President's budget would require drastic reductions in nondefense discretionary spending in FYs 2001 and 2002 in order to reach balance in FY2002;
- these drastic, automatic cuts would be made in educational, environmental, law enforcement, veterans, and all other nondefense discretionary programs;
- 100 percent of these cuts would occur in FYs 2001 and 2002, after President Clinton, if he is elected to a second term, will no longer be President; and
- "the inclusion in a budget submission of triggers to make immediate, drastic reductions in discretionary spending is inconsistent with sound budgeting practices and should be recognized as a 'budgetary gimmick' that is antithetical to legitimate efforts to achieve balance in 2002."

**Those favoring the amendment contended:**

Democrats are playing a political game. If they win, the American people will lose, and the biggest losers will be our children and grandchildren, who will pay the debts created by the Democrat's sleight-of-hand budgeting. President Clinton and his cohorts in Congress are depending on the complexity of the budget process to allow them to make the false claim that they have balanced the budget. The liberal press, they no doubt assume correctly, will either find the issue too complex for them to understand, or will understand it but will refuse to let the American people know.

A budget resolution is not a long document--it contains only totals for broad categories of spending that cover thousands of individual spending items, as well as totals for revenue changes that are based on numerous assumed changes to current law. All of the details that are behind the assumptions in a budget resolution are contained in accompanying, explanatory documents. One of the purposes of a budget resolution is to make budgeting decisions now that will be possible to live with in future years. To help meet that goal, budget resolutions make detailed tax-and-spending plans over several years. This practice, for example, can prevent mistakes such as starting too many capital projects in a current fiscal year that will have few outlays, but all of which will need enormous outlays in successive years in order to be completed. By planning several years in advance, figuring out realistic outlay rates for programs, it is possible to avoid making budget mistakes in a current year that will not become apparent until many years later.

These future year plans, of course, are supplanted each year by new budget resolutions, so they are not binding. Congress cannot make a budget plan in one year that future Congresses will then have to accept. Each year, the current Congress decides how much to tax and how much to spend. Future year plans can have a degree of accuracy, however, because it is difficult to change tax and spending trends rapidly. For instance, if Congress were to increase agricultural spending by 5 percent per year for 4 years in a row, the next Congress would be unlikely to make an instant, 20-percent reduction even if it were so inclined because of the hardship that it would cause to farmers and because of the likely disruption to food supplies. They also serve as accurate guides to the extent that they lead to changes in entitlement spending, because entitlement spending does not need any action by a future Congress to stay on the same course. In other words, an entitlement change is not a 1-year change, it is a permanent change until another law is enacted that says otherwise.

In recent years, many so-called balanced budget plans have been proposed, and some have been accepted. Whether from Republicans or Democrats, or both, most of those plans have been frauds. A typical proposal would call for large first-year increases in domestic discretionary spending and entitlement spending, and large cuts in defense spending (defense spending, as a result, has been cut in real terms by more than 40 percent since 1985). Then, in future years, future Congresses and Presidents would supposedly gradually cut back discretionary spending. Most of these proposals did not dare touch entitlement spending, the uncontrolled growth of which is the main cause of our deficit problems. These fraudulent proposals of course did not work. Total spending always increased, with the promise that next year, or the year after, or 5 years down the line big cuts would be made. Even if total spending had been cut, it would not have been enough without entitlement reforms. Every Senator is aware that without entitlement reforms, by 2006 Social Security, Medicare, Medicaid, Federal retirement, and interest on the debt will consume nearly every penny in revenue collected. There will be only a tiny fraction left over for defense, for education, for law enforcement, for the environment, for agriculture, for science, for commerce, for energy, for parks, or for any other activity on which the Government spends money. Unless a balanced budget plan addresses this growth in entitlement spending it is a fraud.

For many years, the conventional political wisdom has been that daring to control entitlement spending would be political suicide. Entitlement programs are so large, and affect so many people, that politicians have not dared to propose needed changes for fear of demagogic attacks by opponents that would cause the voters to throw them out of office. They have let the country careen toward bankruptcy because they have known that if they tried to do anything about it they would lose their jobs to people with less scruples.

In the last few years there have been exceptions. The budget resolution last year, the reconciliation bill that came out of it, and the authorization and appropriations bills that followed that budget resolution's priorities were honest attempts to balance the budget. The appropriations bills, for the first time in post-war history, cut discretionary spending. More could have been done, and would

MAY 16, 1996

VOTE NO. 114

have been done had it not been for a string of vetoes by President Clinton, but this change was truly enormous. Further, the reconciliation bill tried to reform entitlements, including by reforming welfare and Medicare, but President Clinton vetoed it. The budget resolution that Republicans have put forward this year also puts forward an honest, level path for bringing the budget into balance by 2002. It was a difficult fight last year, but we are still on track to balancing the budget.

Though we are proud of our party's courage in presenting true balanced budget plans, we must in fairness acknowledge that we have not been alone. Many Senate Democrats, while disagreeing with the priorities in the Republican budgets, have put forward honest proposals of their own. They do not yet represent a majority within their party, but their ranks are growing, and we are hopeful that we may someday reach agreement with them. A very strong sign along this line is the bipartisan Chafee/Breaux substitute amendment that will be introduced later on in this debate. In perfect candor, we suspect that if President Clinton would put the good of the country ahead of his own political interests and endorse that compromise, it would be accepted. However, unless there is leadership from the White House, that amendment is doomed in this political year.

We see no sign of leadership from President Clinton. He has yet to submit an honest balanced budget plan. His budget proposal this year, unlike the many serious proposals that have been offered by Democratic and Republican Members alike in the past 2 years, is his worst yet. It is a total political sham. Like most fake balanced budget plans, President Clinton's plan starts out with large increases in domestic discretionary spending, large cuts in defense, and no real changes to entitlement programs, which would continue to grow at 2 or more times the rate of inflation. Nearly all of his proposed cuts, of course, come in years 5 and 6 of his proposal, for a future President and Congress to make. Many of the cuts are highly questionable. For instance, in 2002, when he claimed his budget would be in balance, he proposed selling an enormous amount of United States assets in order to get a one-time revenue gain. To this point, his proposal is just like other previous false balanced budgets. However, it gets worse.

When the Congressional Budget Office (CBO) scored his plan, it found that even with all of its questionable spending assumptions it resulted in an \$81 billion deficit in 2002 (it later revised that estimate to an \$84 billion deficit). When President Clinton received that news, he did not propose specific spending cuts to bring his budget into balance. In other words, he not only did not have the courage to make real spending cuts to bring the budget into balance, he did not even have the courage to suggest cuts that future Congresses and a future President could make.

Instead, he added a "trigger." In a little footnote in his budget documents, he wrote that in FYs 2001 and 2002 his meager tax credit for children would be sunset and cuts would be made in domestic discretionary spending sufficient to reach a CBO-scored balance. If those cuts were actually made from the spending levels that he proposed for FY 2000, a 10-percent cut in FY 2001 and an 18-percent cut in 2002 would be required to reach balance. What exactly would he want a future Congress and President to cut? No one knows, because he would not (and will not) say. He refused to make any changes to the specifics in his original plan. In other words, the specific spending proposals in the last 2 years of the President's budget documents are tens of billions of dollars higher than they should be. Alice Rivlin, his Director of the Office of Management and Budget (OMB) which put together this budget, described the President's approach thusly: "The budget, however, includes a 'trigger' that reduces the overall cuts in discretionary spending if OMB's slightly more optimistic assumptions prove more accurate and the deficit falls faster. As for savings in specific programs, the 1997 budget proposal for discretionary programs includes details at the levels of agency and account for 1997, and at the levels of function, subfunction, and major program for later years--just as previous presidential budgets have done. As the Administration has made clear, the President will review his decisions on discretionary spending one year at a time . . ." The President's specific spending plans for programs thus are now nothing more than scrap paper. They bear no relation whatsoever to the budget totals in the amendment before us.

The President's "trigger" has been penciled into function 920, "allowances," of the Exon amendment before us. Anyone who votes in favor of the Exon amendment is essentially saying that he or she thinks that in FYs 2001 and 2002 giant spending cuts should be made in domestic discretionary programs. Which programs they do not say--those decisions should be made "one year at a time." We emphatically disagree. Without details of how spending and revenue levels may be reached, a budget resolution is worthless scrap paper. We do not need fantasy-land projections that say whomever is around in Congress and the White House in FY 2002 will figure out some way of making the numbers add up--we need honest accounting now. The President's reliance on a trigger to make the claim that his budget is in balance may serve him politically, but it has made his budget worthless. Once again, the President has chosen to play politics instead of seriously involving himself in the budget debate. The Frist amendment would repudiate the President's use of a budget trigger. This amendment should be supported by every Senator who is determined to balance the budget and save America from bankruptcy.

**While favoring the amendment,** some Senators expressed the following reservations:

We have no problem voting for the Frist amendment, because the President's budget does not contain a "trigger." We invite our colleagues to read it carefully--it does not contain any such word. It is a CBO-certified balanced budget that carefully protects spending on the environment, education, welfare, and other pressing needs. Overall, it spends more over 6 years on discretionary spending than does the underlying resolution, so we really are somewhat puzzled by our Republican colleagues' claim that it will make drastic cuts in such spending. This is an honest balanced budget proposal. We urge our colleagues to vote for the Frist

amendment, and then to vote in favor of the underlying President's budget.

**No arguments were expressed in opposition to the amendment.**